



**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
Health Care Financing Administration

Center for Medicaid and State Operations  
7500 Security Boulevard  
Baltimore, MD 21244-1850

**March 10, 1998**

Dear State Medicaid Director:

The purpose of this letter is to let States know that because of the increased workload associated with the Balanced Budget Act of 1997 (BBA), HCFA has decided to extend the time frames listed in 42 CFR 435.1003(a) for completing Medicaid redeterminations through the end of calendar year 1998. There also will be a separate *Federal Register* notice to announce this change.

Last year, because of the high volume of redeterminations that States had to perform as a result of welfare reform, HCFA amended existing regulations at 42 CFR 435.1003 to authorize a waiver of the otherwise applicable time limits when there were substantial workloads imposed by changes in Federal law. A waiver was granted allowing States 120 days to perform redeterminations without losing Federal financial participation. This waiver extended through the end of calendar year 1997.

We now recognize that the BBA (P.L. 105-33) has similar ramifications and has created a substantial new workload for States in the administration of the Medicaid program. Specifically included in the BBA are Title XXI (Child Health Insurance Program), and an extension of the Supplemental Security Income (SSI) cutoff dates for aliens who no longer qualify for SSI. There also is some additional workload which carries over into 1998 caused by the continued Medicaid eligibility of children who lose 551.

Consequently, to assure that there is adequate time to predetermine eligibility, we are extending the waiver. States may take up to 120 days to process all redeterminations of Medicaid eligibility governed by 42 CFR 435.1003 through the end of calendar year 1998.

If you have questions, please contact Mark Ross of my staff at (410) 786-5855 or by e-mail at mross 1 @hcfa. gov.

Sincerely

/s/

Sally K. Richardson  
Director

cc:

All HCFA Regional Administrators

All HCFA Associate Regional Administrators for Medicaid and State Operations

Jennifer Baxendell

National Governors Association

Joy Wilson

National Conference of State Legislatures

Lee Partridge

American Public Welfare Association